UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA v. MINHAJ FEROZ MUHAMMAD and SUFYAN FEROZE, Defendants.	No. 25 CR 318 Violations: Title 18, United States Code, Sections 1347 and 1957

COUNT ONE

The SPECIAL APRIL 2024 GRAND JURY charges:

1. At times material to this Indictment:

Background on Medicare

a. The Medicare program ("Medicare") was a federally funded program that provided free and below-cost health care benefits to people aged 65 years or older, the blind, and the disabled. The Centers for Medicare & Medicaid Services ("CMS"), an agency of the Department of Health and Human Services ("HHS"), was responsible for the administration of Medicare.

b. Individuals who received benefits under Medicare were referred to as Medicare "beneficiaries." Beneficiaries were eligible to receive a variety of services, including laboratory testing services, such as diagnostic testing, when certain criteria were met.

c. Each Medicare beneficiary was identified with a unique beneficiary identifier number ("BIN"). BINs were used, among other ways, to

determine a beneficiary's eligibility for Medicare benefits, and to submit claims to Medicare seeking reimbursement for covered benefits, items, and services. Since 2015, CMS assigned Medicare beneficiaries a randomly generated number called a Medicare Beneficiary Identifier ("MBI"). BINs and MBIs were means of identification, as defined in Title 18, United States Code, Section 1028(d)(7).

d. Medicare, as well as private health insurers including Blue Cross Blue Shield of Illinois ("BCBS-IL"), were "health care benefit programs" as defined by Title 18, United States Code, Section 24(b).

e. Medical providers and suppliers were required to obtain a National Provider Identifier ("NPI") before enrolling in Medicare. Health care providers seeking to become a Medicare provider were required to submit enrollment documentation to Medicare, which included, among other things, contact information for the provider. The enrollment documentation included a certification statement that set forth, in part, that the provider agreed to abide by Medicare laws, regulations, and program instructions, including the Federal Anti-Kickback Statute, 42 U.S.C. § 1320a-7b(b), and would not knowingly present or cause to be presented a false or fraudulent claim for payment by Medicare.

f. Every claim submitted by, or on behalf of, a health care provider included an agreement by the provider to abide by Medicare's rules and regulations. As a condition of payment, Medicare required providers to certify that all information on the claim was true, correct, and complete. Additionally, the provider certified that the service was rendered personally by the provider or under his/her direct

supervision and incident to the provider's care, and that the service was medically necessary for the health and/or well-being of the patient. Providers were also required to maintain all documents that substantiated their Medicare claims for at least seven years.

g. Health care providers were paid by Medicare through the submission of claims. Medicare providers, with limited exception, were required to submit claims electronically. Those claims were submitted to Medicare and processed through a Medicare Administrative Contractor ("MAC"). Medicare reimbursed claims electronically, and payments for Medicare Part B services in Illinois were issued from National Government Services ("NGS"), a MAC headquartered in Indianapolis, Indiana. Payments were made into a provider's bank account through an electronic funds transfer, except in limited circumstances.

h. During the relevant time-period, Medicare beneficiaries could obtain polymerase chain reaction tests ("PCR tests"), which detected the COVID-19 virus. PCR tests required the collection of a mucus or saliva sample from the beneficiary, and test processing by a medical laboratory that was certified through the Clinical Laboratory Improvement Amendments ("CLIA") Program. Laboratories could bill Medicare for PCR laboratory testing and ancillary services including under codes 0240U, U0003, G2023, and U0005, provided that certain conditions were met, including that the services had actually been provided to the beneficiary.

Background on Blue Cross Blue Shield of Illinois

i. Health care benefit plans, including BCBS-IL, reimbursed providers only for goods and/or services that were: (a) actually provided; (b) medically necessary; and (c) covered by the health care benefit plan. In addition, by becoming a participating provider in a health care benefit plan, enrolled providers agreed to abide by the rules, regulations, policies, and procedures governing reimbursement, and to keep and allow the health benefit plans access to records and information required by the health benefit plan and federal and state regulators.

j. Providers of services to BCBS-IL subscribers that sought reimbursement under the program were also required to submit certain information electronically or manually to BCBS-IL for each claim. Required claim information included: the subscriber's name; his/her insurance number; the date of the service; the location where the service was performed; a Current Procedural Terminology ("CPT") code identifying the service performed; the charge for each service provided; and the provider's assigned provider number or tax identification number.

k. Once a claim was submitted to a health care benefit program, such as BCBS-IL, the specific dollar amount (if any) that the health care benefit program would pay on that claim depended on certain criteria, including subscriber eligibility; whether the service was covered by the program; and the amount of the coverage offered by the program for that particular service.

l. During the relevant time-period, BCBS-IL also paid for the processing of COVID-19 laboratory testing services, including under codes 0240U,

U0003, G2023, and U0005, provided that certain conditions were met, including that the services had actually been provided to the subscriber.

Background on Defendants and Related Entity

m. FZ Medical Inc. d/b/a Next Labs ("FZ MEDICAL") was registered as a Medicare and BCBS-IL provider, and was located in Des Plaines, Illinois.

n. Defendant MINHAJ FEROZ MUHAMMAD ("MUHAMMAD") resided in Naperville, Illinois, and was involved in the operation of FZ Medical.

o. SUFYAN FEROZE ("FEROZE") resided in Naperville, Illinois, and was involved in the operation of FZ Medical. FEROZE was an authorized signer on the bank account held by FZ MEDICAL at Financial Institution A ending in x9193 ("x9193 Account"). The x9193 Account was designated as the FZ MEDICAL account for electronic funds transfers from Medicare and BCBS-IL.

p. Individual A was identified as the owner of and authorized signer for FZ Medical in the entity's Medicare enrollment documentation effective May 1, 2023.

2. From in or around April 2023, and continuing through in or around April 2024, in the Northern District of Illinois, Eastern Division, and elsewhere,

MINHAJ FEROZ MUHAMMAD,

defendant herein, along with Individual A and others known and unknown to the Grand Jury, participated in a scheme to defraud a health care benefit program, namely Medicare and BCBS-IL, and to obtain, by means of materially false and fraudulent pretenses, representations, and promises, money owned by and under the

custody and control of a health care benefit program in connection with the delivery of and payment for health care benefits, items, and services, as further described below.

3. It was part of the scheme that defendant MUHAMMAD, along with others, used FZ MEDICAL to submit fraudulent claims to Medicare and BCBS-IL for purported COVID-19 testing services that were not provided.

4. It was further part of the scheme that defendant MUHAMMAD obtained Medicare beneficiaries' and BCBS-IL subscribers' information, including BINs and MBIs, and provided that information to Individual A for the purpose of causing Individual A to submit fraudulent claims for reimbursement to Medicare and BCBS-IL for COVID-19 laboratory testing services.

5. It was further part of the scheme that defendant MUHAMMAD, Individual A, and others concealed, misrepresented, and hid, and caused to be concealed, misrepresented, and hidden, the existence, purpose, and acts done in furtherance of the scheme.

6. It was further part of the scheme that defendant MUHAMMAD, along with Individual A and others, caused FZ MEDICAL to submit at least approximately $72,526,711.50 in fraudulent claims for COVID-19 laboratory testing services that were not provided, for which FZ MEDICAL received at least approximately $9,783,503.33 from Medicare and BCBS-IL.

7. On or about the submission date below, in the Northern District of Illinois, Eastern Division, and elsewhere, MINHAJ FEROZ MUHAMMAD,

defendant herein, did knowingly and willfully execute, and attempt to execute, the above-described scheme by causing the submission of a claim from FZ MEDICAL to a health care benefit program, namely BCBS-IL, seeking reimbursement for purported COVID-19 testing services that were not actually provided:

Count	Approx. Submission Date	Approx. Purported Date of Service	Health Care Benefit Program	Patient	Approx. Amt. Billed	Approx. Amt. Paid
1	05/03/2023	04/07/2023	BCBS-IL	J.A.	$200	$75

In violation of Title 18, United States Code, Section 1347.

COUNT TWO

The SPECIAL APRIL 2024 GRAND JURY further charges:

1. On or about December 27, 2023, at Naperville, in the Northern District of Illinois, Eastern Division, and elsewhere,

SUFYAN FEROZE,

defendant herein, knowingly engaged in a monetary transaction in and affecting commerce in criminally derived property of a value greater than $10,000, namely, the withdrawal of $20,000 in funds from Financial Institution A x9193 Account to obtain a cashier's check made payable to himself, such property having been derived from a specified unlawful activity, namely, health care fraud, in violation of Title 18, United States Code, Section 1347;

In violation of Title 18, United States Code, Section 1957(a).

FORFEITURE ALLEGATION

The SPECIAL APRIL 2024 GRAND JURY further alleges:

1. Upon conviction of an offense in violation of Title 18, United States Code, Section 1347, as set forth in this Indictment, defendant MUHAMMAD shall forfeit to the United States of America any property that constitutes and is derived, directly and indirectly, from the gross proceeds traceable to the commission of the offense, as provided in Title 18, United States Code, Section 982(a)(7).

2. Upon conviction of an offense in violation of Title 18, United States Code, Section 1957, as set forth in this Indictment, defendant FEROZE shall forfeit to the United States of America any property involved in such offense, and any property traceable to such property, as provided in Title 18, United States Code, Section 982(a)(1).

3. If any of the property described above, as a result of any act or omission by a defendant: cannot be located upon the exercise of due diligence; has been transferred or sold to, or deposited with, a third party; has been placed beyond the jurisdiction of the Court; has been substantially diminished in value; or has been commingled with other property which cannot be divided without difficulty, the

United States of America shall be entitled to forfeiture of substitute property, as provided in Title 21, United States Code Section 853(p).

A TRUE BILL:

_____
FOREPERSON

_____
LORINDA LARYEA
ACTING CHIEF, FRAUD SECTION
CRIMINAL DIVISION
U.S. DEPARTMENT OF JUSTICE